



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

INFORMATIONAL LETTER NO.1410

DATE: August 1, 2014

TO: Iowa Medicaid Hospitals

FROM: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Cost Outliers Applied to Hospital Stays for Partial Member Eligibility

EFFECTIVE: Immediately

In certain circumstances, a member will be Medicaid eligible for only part of an inpatient admission. The IME would like to clarify claim submission requirements for those members partially eligible for Medicaid during an inpatient hospital stay.

Example: A member is inpatient from July 1 through August 13, and the member is Medicaid eligible for July but not eligible for August. In this circumstance, providers must submit itemized documentation showing billed charges for days the member was not Medicaid eligible (August 1 through August 13).

Effective immediately, the IME is editing for the day/cost outlier on inpatient claims.

- When a claim is submitted to Iowa Medicaid and the diagnosis related group (DRG) is subjected to a day outlier, the claim will process normally.
- When a claim is submitted to Iowa Medicaid and the diagnosis related group (DRG) is subjected to a cost outlier, the following must be submitted with the claim:
 - The billed charges must be itemized by date of service and revenue codes.
 - The itemized documentation, as well as any other documentation needed for review must be included.

If you have any questions, please contact the IME Provider Services Unit at 1-800-338-7909, locally in Des Moines at 515-256-4609 or by email at imeproviderservices@dhs.state.ia.us.